

**Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2020  
for  
Jaylow Supplies Limited**

**Contents of the Financial Statements  
for the Year Ended 31 December 2020**

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**Jaylow Supplies Limited**

**Company Information  
for the Year Ended 31 December 2020**

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**DIRECTORS:**

Mrs B Lobenstein  
Mr M Lobenstein  
Mrs K H Lobenstein

**SECRETARY:**

Mrs K H Lobenstein

**REGISTERED OFFICE:**

5 North End Road  
London  
NW11 7RJ

**REGISTERED NUMBER:**

00463864 (England and Wales)

**AUDITORS:**

Martin+Heller  
Statutory Auditor  
5 North End Road  
London  
NW11 7RJ

**Strategic Report  
for the Year Ended 31 December 2020**

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The directors present their strategic report for the year ended 31 December 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company remains that of electrical cable distributors.

**REVIEW OF BUSINESS**

Key financial and other performance indicators during the year were as follows:-

	2020 £	2019 £
Turnover	99,400,153	89,928,731
Margin	7.02%	6.3%
Profit after Tax	1,582,430	360,271
Shareholders Funds	20,534,367	18,951,937

Shareholders funds increased due to the year's profits.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company possesses the required management expertise to monitor and manage risk. The principal risks and uncertainties facing the company are as follows:

**Economic Risks**

Any economic downturn is likely to lead to a reduction in the number of infrastructure projects as many companies prepare to consolidate and slowdown investment in the tougher economic climate.

**Price Risks**

Price risks arise on the company's product range due to changes in commodity prices. There is a management team dedicated to monitoring product prices to ensure exposure is limited.

**Financial Risks**

The company reduces its exposure to variability of foreign exchange rates by mostly buying and selling its product in the same currency. This limits the risk to any surplus which collects in foreign currency accounts.

**Brexit Risks**

The lack of clarity arising from UK leaving the European Union has increase the level of economic uncertainty. This risk is further increased if at the end of the transition period there is no agreement similar to the previous of EU Agreement. Following UK's withdrawal from the European Union there are changes in VAT and custom duty regime for the goods imported from and exported to the Community leading to an increase in cost of the goods. However the company's risk is limited as there is very little trade with EU businesses.

**Credit risk**

A risk that one party will cause financial loss to another party by failing to discharge an obligation. It is the company's policy to minimise such losses by ensuring deferred terms are only granted to those customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. At the balance sheet date most of the trade debtors were within assigned terms.

**Strategic Report  
for the Year Ended 31 December 2020**

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**Liquidity risk**

The risk that the company will encounter difficulty in meeting its obligations associated with financial liabilities.

**Operational Risks**

The company manages this risk by providing value added services to its client, having fast response time not only in supplying the goods but also in handling customer queries and by maintaining strong relationship with customers.

**SECTION 172(1) STATEMENT**

The directors have always paid due regard to the effect of their actions on various stakeholders who have an interest in the business. Section 172 of the Companies Act requires us to report each year on the steps taken to fulfil these obligations towards our stakeholders. There are various parties who may be affected by the decisions made by the Board of Directors in the day to day running of the business and as such can be considered stakeholders. It is the responsibility of the board of directors to consider these interests in order to deliver the best possible outcome.

**Employees & Suppliers**

We actively engage with our suppliers and the employees who form an integral part of our operation and are considered key strategic partners.

The company has a loyal team of employees, most of whom have been employed with us for many years. Their efforts are highly valued and the company seeks to offer an environment in which the employees can thrive. Training, pension and other benefits are offered. Health and safety and employee welfare are the key areas which management insist upon.

**Customers**

We focus on providing best experience to our customers and are always seeking ways to add value by investing in the future. We value the strategic relationships we have with our key customers who have been with us from a long period of time based on reliability and trust.

**GOING CONCERN**

As the general economy is emerging from COVID-19 and also adjust to the post Brexit deal, the market remains challenging with material and labour shortages widely reported across a wide range of industries including trading sector.

As a result of the above, the company takes a cautious approach in obtaining orders and mitigating risk where possible by forward planning with the supply chain and the customers. The company's profitability has increased with the increase in sales specially in the last six months to the year end.

Furthermore, the directors believe that the strength of the company and its experience in the field along with the strong reputation and name will enable the company to move forward.

**ON BEHALF OF THE BOARD:**

Mr M Lobenstein - Director

21 December 2021

**Report of the Directors  
for the Year Ended 31 December 2020**

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The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2020.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

Mrs B Lobenstein  
Mr M Lobenstein  
Mrs K H Lobenstein

**POLITICAL DONATIONS AND EXPENDITURE**

During the year the company made charitable donations amounting to £469,000 (2019: £422,000).

**POST BALANCE SHEET EVENTS**

The economy in general and this company in particular has recovered from the affect of COVID-19 epidemic last year. The first and the second quarter of 2021 trading has been exceptionally strong as property building and development have continued in favourable trading conditions and the company has made profit during the first three quarters of 2021 and anticipates finishing the year equally strongly.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Martin+Heller, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Mr M Lobenstein - Director

21 December 2021

### **Opinion**

We have audited the financial statements of Jaylow Supplies Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements. We discussed with management the extent of compliance with those laws and regulations as part of our audit procedures.
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Our audit procedures were designed to identify and assess risks of material misstatement in the financial statements, whether due to fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, omissions, misrepresentations, or management override of controls.
- There are inherent limitations in the audit procedures performed. Our responsibility is to conclude whether the financial statements represent the underlying financial position and activities of the company and to ensure that the overall content and presentation of the financial statements gives a fair view.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
Jaylow Supplies Limited**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr F Martin FCA (Senior Statutory Auditor)  
for and on behalf of Martin+Heller  
Statutory Auditor  
5 North End Road  
London  
NW11 7RJ

21 December 2021

**Statement of Comprehensive Income  
for the Year Ended 31 December 2020**

	Notes	31.12.20 £	£	31.12.19 £	£
<b>TURNOVER</b>	4		99,400,153		89,928,731
Cost of sales			92,423,386		84,259,967
<b>GROSS PROFIT</b>			6,976,767		5,668,764
Distribution costs		1,547,494		1,808,512	
Administrative expenses		3,185,043		3,059,460	
			4,732,537		4,867,972
			2,244,230		800,792
Other operating income			52,710		51,210
<b>OPERATING PROFIT</b>	6		2,296,940		852,002
Profit/loss on sale of tangible fixed assets	7		-		647
			2,296,940		851,355
Interest receivable and similar income			12,262		18,199
			2,309,202		869,554
Interest payable and similar expenses	8		353,783		435,761
<b>PROFIT BEFORE TAXATION</b>			1,955,419		433,793
Tax on profit	9		372,989		73,522
<b>PROFIT FOR THE FINANCIAL YEAR</b>			1,582,430		360,271
<b>OTHER COMPREHENSIVE INCOME</b>			-		-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			1,582,430		360,271

The notes form part of these financial statements

**Jaylow Supplies Limited (Registered number: 00463864)****Balance Sheet  
31 December 2020**

	Notes	31.12.20 £	£	31.12.19 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		122,241		138,197
Investments	11		10		-
Investment property	12		490,000		975,000
			<u>612,251</u>		<u>1,113,197</u>
<b>CURRENT ASSETS</b>					
Stocks	13	6,280,017		8,876,558	
Debtors	14	53,573,034		29,009,441	
Cash at bank and in hand		<u>471,816</u>		<u>32,428</u>	
		60,324,867		37,918,427	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>40,402,751</u>		<u>20,079,687</u>	
<b>NET CURRENT ASSETS</b>			<u>19,922,116</u>		<u>17,838,740</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>20,534,367</u>		<u>18,951,937</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		26,000		26,000
Retained earnings	20		<u>20,508,367</u>		<u>18,925,937</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>20,534,367</u>		<u>18,951,937</u>

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 21 December 2021 and were signed on its behalf by:

Mr M Lobenstein - Director

**Statement of Changes in Equity  
for the Year Ended 31 December 2020**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2019</b>	26,000	18,565,666	18,591,666
<b>Changes in equity</b>			
Total comprehensive income	-	360,271	360,271
<b>Balance at 31 December 2019</b>	26,000	18,925,937	18,951,937
<b>Changes in equity</b>			
Total comprehensive income	-	1,582,430	1,582,430
<b>Balance at 31 December 2020</b>	26,000	20,508,367	20,534,367

**Cash Flow Statement  
for the Year Ended 31 December 2020**

		31.12.20	31.12.19
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(14,971,269)	5,585,401
Interest paid		(353,783)	(435,761)
Tax paid		664	(136,695)
Net cash from operating activities		<u>(15,324,388)</u>	<u>5,012,945</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(14,605)	(129,657)
Purchase of fixed asset investments		(10)	-
Sale of tangible fixed assets		-	9,647
Sale of investment property		485,000	-
Interest received		<u>12,262</u>	<u>18,199</u>
Net cash from investing activities		<u>482,647</u>	<u>(101,811)</u>
<b>Cash flows from financing activities</b>			
Amount withdrawn by directors		<u>(19,990)</u>	<u>-</u>
Net cash from financing activities		<u>(19,990)</u>	<u>-</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(14,861,731)</u>	<u>4,911,134</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(18,197,927)	(23,109,061)
<b>Cash and cash equivalents at end of year</b>	2	<u><u>(33,059,658)</u></u>	<u><u>(18,197,927)</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2020**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.20	31.12.19
	£	£
Profit before taxation	1,955,419	433,793
Depreciation charges	30,561	36,961
Finance costs	353,783	435,761
Finance income	(12,262)	(18,199)
	<u>2,327,501</u>	<u>888,316</u>
Decrease/(increase) in stocks	2,596,541	(2,161,795)
(Increase)/decrease in trade and other debtors	(24,559,378)	6,919,159
Increase/(decrease) in trade and other creditors	<u>4,664,067</u>	<u>(60,279)</u>
<b>Cash generated from operations</b>	<u>(14,971,269)</u>	<u>5,585,401</u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2020**

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	471,816	32,428
Bank overdrafts	<u>(33,531,474)</u>	<u>(18,230,355)</u>
	<u>(33,059,658)</u>	<u>(18,197,927)</u>

**Year ended 31 December 2019**

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	32,428	4,291
Bank overdrafts	<u>(18,230,355)</u>	<u>(23,113,352)</u>
	<u>(18,197,927)</u>	<u>(23,109,061)</u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1/1/20	Cash flow	At 31/12/20
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	32,428	439,388	471,816
Bank overdrafts	<u>(18,230,355)</u>	<u>(15,301,119)</u>	<u>(33,531,474)</u>
	<u>(18,197,927)</u>	<u>(14,861,731)</u>	<u>(33,059,658)</u>
<b>Total</b>	<u>(18,197,927)</u>	<u>(14,861,731)</u>	<u>(33,059,658)</u>

**Notes to the Financial Statements  
for the Year Ended 31 December 2020**

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**1. STATUTORY INFORMATION**

Jaylow Supplies Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£) and figures are rounded to the nearest £1.

**Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

**Trade debtors**

The majority of trade debtors are paid within the agreed conditions. Management makes judgements regarding recoverability of aged debtors using external evidence of the credit status of the counterparty and where necessary will impair the carrying values.

**Turnover**

Turnover represents the net value of electrical cable sold to customers excluding VAT. The net value takes into account trade discounts, settlement discounts and rebates.

Revenue from sale of goods is recognised when significant risks & rewards of the ownership has been transferred to the buyer (on despatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transactions will flow to the entity.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Motor vehicles	- 20% on reducing balance
Fixtures & fittings	- 20% on reducing balance

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

Investment in subsidiary company is held at cost.

**Investment property**

Investment property is stated at the directors' estimate of market value at the balance sheet date. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Although the director is familiar with the value of property in the area, the valuations are subject to a degree of uncertainty, in particular, during times of difficult economic conditions.

**Stocks**

The principal raw material elements of stock are copper and PVC. Due to the fluctuating nature of copper and PVC markets the stock is stated at the lower of cost and selling price less estimated costs to sell.



Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

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3. ACCOUNTING POLICIES - continued

**Financial instruments**

Financial instruments are classified and accounted for as either debt instruments or financial liabilities, according to the contractual arrangements entered into.

**Basic financial instruments**

**Debtors**

Trade and other debtors are recognised initially at transaction price and subsequently at amortised cost.

**Creditors**

Trade and other creditors are recognised initially at transaction price and subsequently at amortised cost. Other financial liabilities, including bank overdrafts, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

3. ACCOUNTING POLICIES - continued

**Revenue recognition**

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

**Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on despatch of goods.

**Going concern**

The accounts have been prepared on the going concern basis. The directors consider that there are no material uncertainties regarding the company's ability to continue in operational existence for the foreseeable future, which is deemed to be 12 months from the date of approval of the financial statements.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.12.20	31.12.19
	£	£
United Kingdom	99,070,877	89,594,048
Europe	329,276	334,683
	<u>99,400,153</u>	<u>89,928,731</u>

5. EMPLOYEES AND DIRECTORS

	31.12.20	31.12.19
	£	£
Wages and salaries	2,107,061	2,129,691
Social security costs	254,408	236,542
Other pension costs	57,980	102,425
	<u>2,419,449</u>	<u>2,468,658</u>

The average number of employees during the year was as follows:

	31.12.20	31.12.19
Administration	24	28
Warehouse	<u>30</u>	<u>28</u>
	<u>54</u>	<u>56</u>

	31.12.20	31.12.19
	£	£
Directors' remuneration	<u>735,995</u>	<u>576,398</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2	2
Money purchase schemes	<u>2</u>	<u>2</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**5. EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	31.12.20	31.12.19
	£	£
Emoluments etc	<u>376,456</u>	<u>303,013</u>

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.20	31.12.19
	£	£
Other operating leases	609,420	464,108
Depreciation - owned assets	30,561	36,961
Auditors' remuneration	<u>20,207</u>	<u>17,000</u>

**7. EXCEPTIONAL ITEMS**

	31.12.20	31.12.19
	£	£
Profit/loss on sale of tangible fixed assets	<u>-</u>	<u>(647)</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.20	31.12.19
	£	£
Bank loan interest	353,120	435,761
Interest on late payment of corporation tax	663	-
	<u>353,783</u>	<u>435,761</u>

**9. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.20	31.12.19
	£	£
Current tax:		
UK corporation tax	372,989	73,522
Tax on profit	<u>372,989</u>	<u>73,522</u>

UK corporation tax has been charged at 19% .

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

9. **TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.20 £	31.12.19 £
Profit before tax	<u>1,955,419</u>	<u>433,793</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	371,530	82,421
Effects of: deductible for tax purposes Depreciation and loss on disposal for the period in excess of capital allowances	1,459	(8,899)
in previous years due to rate changes investment investment property		
Total tax charge	<u>372,989</u>	<u>73,522</u>

10. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Motor vehicles £	Fixtures & fittings £	Totals £
<b>COST</b>				
At 1 January 2020	156,746	77,012	197,869	431,627
Additions	<u>7,587</u>	<u>-</u>	<u>7,018</u>	<u>14,605</u>
At 31 December 2020	<u>164,333</u>	<u>77,012</u>	<u>204,887</u>	<u>446,232</u>
<b>DEPRECIATION</b>				
At 1 January 2020	93,942	27,569	171,919	293,430
Charge for year	<u>14,078</u>	<u>9,889</u>	<u>6,594</u>	<u>30,561</u>
At 31 December 2020	<u>108,020</u>	<u>37,458</u>	<u>178,513</u>	<u>323,991</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u>56,313</u>	<u>39,554</u>	<u>26,374</u>	<u>122,241</u>
At 31 December 2019	<u>62,804</u>	<u>49,443</u>	<u>25,950</u>	<u>138,197</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

11. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
Additions	10
At 31 December 2020	<u>10</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>10</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Leajay Ltd**

Registered office: 5 North End Road, London, NW11 7RJ

Nature of business: Buying & Selling of own real estate

	% holding		
Class of shares:			
Ordinary	100.00	31.5.20	31.5.19
		£	£
Aggregate capital and reserves		<u>10</u>	<u>10</u>

12. **INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 January 2020	975,000
Disposals	(485,000)
At 31 December 2020	<u>490,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>490,000</u>
At 31 December 2019	<u>975,000</u>

During the year Jaylow has acted as the principal on behalf of Leajay regarding sale of one of the flats. The other flat was sold after the year end.

13. **STOCKS**

The closing stock includes inventory received at the dock but not yet received at the warehouse before the year end.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Trade debtors	42,596,086	25,287,723
Other debtors	2,265,118	1,771,365
Directors' current accounts	4,215	-
VAT	901,431	27,501
Prepayments	7,806,184	1,922,852
	<u>53,573,034</u>	<u>29,009,441</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Bank loans and overdrafts (see note 16)	33,531,474	18,230,355
Trade creditors	865,692	566,361
Corporation tax	447,175	73,522
Social security and other taxes	125,665	100,078
Pension Payable	1,184	-
Net wages	(2,556)	23,500
Directors' current accounts	-	15,775
Accrued expenses	3,019,753	1,070,096
Deferment Duty&Control Account	2,414,364	-
	<u>40,402,751</u>	<u>20,079,687</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	31.12.20	31.12.19
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>33,531,474</u>	<u>18,230,355</u>

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.20	31.12.19
	£	£
Within one year	552,763	566,067
Between one and five years	2,065,762	2,008,360
In more than five years	<u>3,000,000</u>	<u>2,833,333</u>
	<u>5,618,525</u>	<u>5,407,760</u>

The above relates to a lease for land and buildings and leases for vehicles and forklifts. The lease for land and buildings was renewed on 30 September 2020. Rent is paid on a quarterly basis and is charged to the profit and loss account on a straight-line basis over the lease term.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**18. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.20	31.12.19
	£	£
Bank overdrafts	33,531,474	18,230,355

Bank facilities are secured by a fixed and floating debenture.

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.20	31.12.19
			£	£
25,000	"A" Ordinary Shares	£1	25,000	25,000
1,000	"B" Ordinary Shares	£1	1,000	1,000
			<u>26,000</u>	<u>26,000</u>

**20. RESERVES**

	Retained earnings £
At 1 January 2020	18,925,937
Profit for the year	1,582,430
At 31 December 2020	<u>20,508,367</u>

**21. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme for the directors. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions for the year were £ 21,162 (2019: £18,677).

**22. CONTINGENT LIABILITIES**

The company has given a guarantee of £2,000,000 towards the bank loan provided to Belljoe Tzedoko Ltd., a charity which has common directors.

**23. CAPITAL COMMITMENTS**

The capital expenditure authorised and contracted for by the company was £Nil (2019:£Nil).

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

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**24. RELATED PARTY DISCLOSURES**

Mr M Lobenstein is also a director of Margstein Property Ltd, Bridgeholt Ltd, Blackfair Ltd, Emflow Ltd and Belljoe Tzedoko Ltd.

As at the balance sheet date, the balance owing from Margstein Property Ltd was £70,993 (2019: £69,347). The amount is interest free and repayable on demand.

As at the balance sheet date, the balance owing from Bridgeholt Ltd was £1,438,520 (2019: £958,520). The amount is interest free and repayable on demand.

As at the balance sheet date, the balance owing from Blackfair Ltd was £210,000 (2019: £210,000). The amount is interest free and repayable on demand.

During the year, the company paid no rent for storage space to Emflow Ltd £0 (2019: £8,750).

Belljoe Tzedoko Ltd is a charitable company which owns the warehouse used by Jaylow Supplies Limited. During the year, the company paid rent for the warehouse, at market rate, of £ 500,000 (2019: £350,000).

As at the balance sheet date, there is an amount of £529,500 (2019: £529,500) owing from M/s C Lobenstein, an employee of the company. The company receives interest on the balance.

**25. POST BALANCE SHEET EVENTS**

Investment Property held at year end was sold after date, however the freehold rights has been retained by the company.

Leajay Ltd, the subsidiary of Jaylow was dissolved after the year end. It being a non trading company does not have any financial or operational impact on the company as a whole.

**26. ULTIMATE CONTROLLING PARTY**

There is no controlling party in this company.

The persons with significant control are:

Mrs B Lobenstein - holds 25-50% of the Share Capital

Mr M Lobenstein - holds 25-50% of the Share Capital

**27. FINANCIAL INSTRUMENTS**

	<b>2020 £</b>	<b>2019 £</b>
Financial assets measured at amortized cost	<u>45,766,850</u>	<u>27,086,589</u>
Financial liabilities measured at amortized cost	<u>34,968,634</u>	<u>19,009,591</u>

Financial assets measured at amortized cost are comprised of trade debtors of £42,596,086 (2019: £25,287,723) and other debtors of £3,170,764 (2019: £17,98,866).

Financial liabilities measured at amortized cost are comprised of short term bank loans and overdrafts of £ 33,531,474 (2019: £18,230,355), trade creditors of £865,692 (2019: £566,361) and other creditors of £574,168 (2019: £212,875). During the year, the company paid interest amounting to £353,762 (2019: £435,761) on the short term bank loan.



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